



## U.S. Department of Justice

Office of Justice Programs

*Office of the Chief Financial Officer*

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Washington, DC 20531

### INDIRECT COST INFORMATION

Attached is information pertaining to the preparation of an Indirect Cost Proposal.

Before an organization/State submits the Indirect Cost Proposal, it should:

1. Determine which Federal agency is responsible for negotiating indirect cost rates by assessing the direct Federal dollars expended during the year. The Federal agency with the preponderance of Federal funding is responsible for negotiating overhead rates.
2. Submit an Indirect Cost Proposal to the Federal cognizant agency. After receipt and review of this documentation, a final and provisional rate will be established.

Six months after the close of the fiscal year, the provisional rate received must be finalized and a new provisional rate established. The organization/state is required to submit an Indirect Cost Proposal based on the prior year's audited Financial Statement which will support the final rate/fixed with carry forward request. In support of this data, the organization should submit the appropriate financial report and the indirect cost proposal requests to OJP electronically at:

[OCFOindirectcost@ojp.usdoj.gov](mailto:OCFOindirectcost@ojp.usdoj.gov)

Reference related to Direct and Indirect Costs is located in 2 CFR 200 Part, Subpart E, Cost Principles, Direct and Indirect costs at: <https://www.ecfr.gov/cgi-bin/text-idx?SID=c92c4f67f4d2c0c0edeeb569361d4924&mc=true&node=sp2.1.200.e&rgn=div6>

Audits of nonprofit organizations and State must be in compliance with Federal auditing and reporting standards set forth in the: (1) *Government Auditing Standards*, 2011 Revision and (2) 2 CFR 200 Part Subpart F Audit Requirements. These two documents can be found at:

1. <http://www.gao.gov/yellowbook/overview>
2. <https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=c92c4f67f4d2c0c0edeeb569361d4924&mc=true&n=pt2.1.200&r=PART&ty=HTML#sp2.1.200.f>

Government agencies wishing to submit an indirect cost should visit:

CFR Part 200 - Uniform Guidance: [https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

CAS Best Practices Manual For Reviewing State and Local Governments State/Local-Wide Central Service Cost Allocation Plans and Indirect Cost Rates Proposals ([StateLocalBestPractices](#))

HHS Implementation Guide for State, Local and Indian Tribal Governments ([ASMB C-10](#))

Applicable Regulations and HHS Policies: <https://www.hhs.gov/grants/grants/grants-policies-regulations/index.html>

COFAR Guidance, including FAQs, for implementing the Uniform Guidance/2 CFR 1200: <https://cfo.gov/cofar/uniform-guidance/>

Non-profit organizations wishing to submit an indirect cost should visit:

2 CFR Part 200 - Uniform Guidance: [https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

2 CFR Appendix IV to Part 200 - Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations: <https://www.gpo.gov/fdsys/granule/CFR-2014-title2-vol1/CFR-2014-title2-vol1-part200-appIV>

2 CFR Appendix VIII to Part 200 - Nonprofit Organizations Exempted From Subpart E - Cost Principles of Part 200: [https://www.ecfr.gov/cgi-bin/text-idx?SID=be7f329be3e87e3c3549bba226a249a7&mc=true&node=ap2.1.200\\_1521.viii&rgn=div9](https://www.ecfr.gov/cgi-bin/text-idx?SID=be7f329be3e87e3c3549bba226a249a7&mc=true&node=ap2.1.200_1521.viii&rgn=div9)

CAS Review Guide for Non-Profit Organizations ([negrev4](#))

Sincerely,

Rachel Johnson  
Chief Financial Officer